

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO**

In re

AAA IMPORTS, INC.

Debtor

CASE NO. 10-04048 BKT

Chapter 11

**APPLICATION FOR APPROVAL OF EMPLOYMENT
OF ATTORNEY FOR DEBTOR**

TO THE HONORABLE COURT:

COMES NOW the debtor in possession (“DIP” or “DEBTOR”) as applicant in this matter, and respectfully seeks the approval of the employment of the law firm of EDGARDO MUÑOZ, PSC to act as counsel for debtor in the above captioned Chapter 11 case. In support thereof, the undersigned debtor in possession states as follows:

1. On May 13, 2010 the above captioned debtor filed its voluntary petition under Chapter 11. Pursuant to said Chapter of the Bankruptcy Code the debtor continues to manage its properties and operate its business as a debtor in possession.
2. DIP needs the services of an attorney to properly conduct its affairs and comply with its duties in the above captioned bankruptcy case.
3. To that effect, debtor has engaged the services of EDGARDO MUÑOZ, PSC as its legal counsel. Debtor has considered Edgardo Muñoz’s experience and knowledge in bankruptcy proceedings and understands that he is well qualified to represent it in this case.
4. The scope of the engagement includes that EDGARDO MUÑOZ, PSC will be rendering professional services under a general retainer, including:
 - a. advise debtor with respect to its duties, powers and responsibilities in this case under the laws of the United States and Puerto Rico in which debtor in possession conducts its operations.

- b. advise debtor in connection with a determination on whether a reorganization is feasible and if not, helping debtor in the orderly liquidation of its assets;
- c. assist the debtor with respect to negotiations with creditors for the purpose of achieving a reorganization or an orderly liquidation;
- d. prepare on behalf of debtor the necessary complaints, answers, orders, reports, memoranda of law and/or any other legal paper or document required in the above captioned case;
- e. appear before the Bankruptcy Court or any other court in which debtor asserts a claim, interest or defense related to this bankruptcy case;
- f. perform such other legal services for debtor as may be required in this proceeding or in connection with the operation of debtor's business including, but not limited to, notarial services;
- g. employ other professional services, if necessary.

5. To the best of my knowledge, in the attached verified statement, Edgardo Muñoz and his firm have disclosed their connection (if any) with the creditors, any party in interest, their attorneys, their accountants, the US Trustee, or the personnel of the US Trustee.

6. To the best of debtor's knowledge, Edgardo Muñoz nor his firm represent or hold any interest adverse to the debtor or the estate in the matters for which he is being engaged pursuant to 11 USC 327.

7. To the best of debtor's knowledge, Edgardo Muñoz and his firm are disinterested persons within the meaning of 11 USC 101.

8. To the best of debtor's knowledge, Edgardo Muñoz and his firm are aware that he

may not share or agree to share the compensation or reimbursement received for the services provided in this case pursuant to 11 USC 504 except as provided by law.

9. The terms of compensation agreed to are as follows: Edgardo Muñoz, PSC has received a retainer in the amount of \$15,000.00, plus the additional sum of \$1,039 to cover filing fees, which sums were paid by debtor from funds generated from its business. Professional services shall be charged as follows: by Edgardo Muñoz, \$275 per hour plus costs and expenses. The hourly rates are subject to change to account for ordinary increases of the rates, but subject to prior notice thereof.

10. Any compensation to be received is subject to the court's approval upon proper application and compliance with applicable notice requirements.

11. A verified statement by the proposed professional is attached to this application in compliance with Section 327 of the Bankruptcy Code and the applicable Rules of Bankruptcy Procedures and Local Rules. The proposed professional's Curriculum Vitae is also included with this application.

12. Pursuant to the provisions of Section 327(a) no notice of this application needs to be given and no hearing needs to be held unless the court should otherwise direct.

13. A copy of this application is being served upon the US Trustee's office pursuant to applicable notice requirements.

WHEREFORE, debtor respectfully requests that the Honorable Court enter an order approving the employment of Edgardo Muñoz, PSC pursuant to Section 327(a) of the Bankruptcy Code as set forth in the foregoing document.

RESPECTFULLY SUBMITTED.

DATED: May , 2010

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DEBTOR IN POSSESSION

BY: _____
*/s/ ANDRES MARTINEZ
VICE PRESIDENT*

I HEREBY CERTIFY that on this date I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the participants appearing in said record, including the US Trustee; additionally, on this date, a copy of the application was served on the US Trustee at Ochoa Bldg, 500 Tanca St, Suite 301, Old San Juan PR 00901.

EDGARDO MUÑOZ, PSC
PO Box 360971
San Juan, PR 00936-0971
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s/ EDGARDO MUÑOZ
USDC NO. 125713
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AAA-appl-appr-empl-atty.wpd

**IN THE UNITED STATES BANKRUPTCY COURT
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In re

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Debtor

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VERIFIED STATEMENT OF ATTORNEY

I, Edgardo Muñoz of Edgardo Muñoz, PSC do hereby CERTIFY under penalty of perjury that to the best of my knowledge, information and belief, the following is true and correct.

1. The undersigned is an attorney admitted to practice before the courts of the Commonwealth of Puerto Rico, the U.S. District Court for the District of Puerto Rico, and the Court of Appeals for the First Circuit and is a member in good standing of the bar of said courts.

2. Debtor needs the services of an attorney to properly carry out its duties under the Bankruptcy Code. Debtor has engaged the services of Edgardo Muñoz, PSC as its legal counsel as set forth in the foregoing application. The undersigned represents to be qualified to render the services for which the firm is being.

3. The undersigned has read the foregoing application and states that to the best of his knowledge and belief the same is true and correct in its facts and its law.

4. In compliance with Rule 2010, FRBP, and LBR 2014-1, the undersigned makes the following disclosures under penalty of perjury. To the best of his knowledge and belief :

1. Neither he nor the firm of Edgardo Muñoz, PSC represent or hold any interest adverse to the estate of the above-debtor.

2. The undersigned nor its firm have any connection with the creditors, parties in interest, their attorneys, their accountants, the US Trustee and the personnel of the US Trustee,

except as set forth below:

- A. The undersigned was of-counsel in the firm of García & Fernández until December 31, 2009, when said relationship was concluded. The firm of García & Fernández has represented creditor Westernbank in matters wholly unrelated to the case at bar and the above captioned debtor. In the course of its past relationship with García & Fernández, the undersigned rendered services to the creditor mentioned above in matters totally unrelated to this case.
3. He and the firm of Edgardo Muñoz, PSC are disinterested persons within the meaning of 11 USC 101.
4. The undersigned and the firm of Edgardo Muñoz, PSC have not agreed to share with any person, except members of said firm, any compensation to be paid for the services rendered in this case.
5. The terms of compensation agreed to are as follows: Edgardo Muñoz, PSC has received a retainer in the amount of \$15,000.00, plus the additional sum of \$1,039 to cover filing fees, which sums were paid by debtor from funds generated from its business. Professional services shall be charged as follows: by Edgardo Muñoz, \$275 per hour plus costs and expenses. The hourly rates are subject to change to account for ordinary increases of the rates, but subject to prior notice thereof.
6. The undersigned states that this statement will be amended upon learning that:
 - a. any of the representations made herein are incorrect; or
 - b. that there is any change of circumstances relating thereto.
7. The undersigned states that he has reviewed the provisions of LBR 2016-1.
8. A copy of this application for employment has been served upon the US Trustee pursuant to Federal Rule of Bankruptcy Procedure 2014-1.
9. This Verified Statement is provided in compliance with Section 327 of the Bankruptcy

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Code and Federal Rule of Bankruptcy Procedure 2014-1 for the purpose described in debtor's application for employment of attorney with compensation to be allowed upon prior application, notice and hearing thereon as required by law.

I HEREBY CERTIFY under penalty of perjury pursuant to 28 USC 1746, that the foregoing is true and correct to the best of my knowledge and belief.

DATED: May 20 , 2010

EDGARDO MUÑOZ, PSC
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Concentrates his practice in bankruptcy cases, representing creditors, trustees, and business debtors. Mr. Muñoz served as law clerk in the Bankruptcy Court for the District of P.R. until 1986. Since 1989, he has been teaching bankruptcy law at Inter American University School of Law and has lectured on courses and seminars sponsored by IAU, the Federal Bar Association, Puerto Rico Bar Association, the Puerto Rico Bankruptcy Bar and the National Business Institute.

Mr. Muñoz is admitted to practice before the courts of first instance, and the Supreme Court of Puerto Rico (1978), the U.S. District Court for the District of Puerto Rico (1979), and the Court of Appeals for the First Circuit (1984). He was Board Certified (Business Bankruptcy Law) by the American Bankruptcy Board of Certification in 1994;

He has also practiced (pro hac vice) before the US Bankruptcy Court and US District Court for the Middle District of Florida. And represented parties before US Bankruptcy Courts: Southern District NY, District of New Jersey Newark Division, and Northern District of Illinois.

Mr. Muñoz received his B.A. degree, magna cum laude, from the University of Puerto Rico (1975) and his J.D. degree, cum laude, from the University of Puerto Rico School of Law (1978). Upon graduating from law school, he worked as staff attorney with the Migrant Division of PR Legal Services, Inc. (1978-1984); served as law clerk for US Bankruptcy Judge WH Beckerleg (1984-85), and US Bankruptcy Judge AH Hernández (1985-86). Mr. Muñoz then joined the firm of García & Fernández as associate (1986-1991) and counsel (1991-2009). Mr Muñoz has been employed as adjunct professor by the Inter American University School of Law (1989-present) teaching the bankruptcy law course.

Mr. Muñoz has served as Vice-President of the P.R. (1991-92) Bankruptcy Bar Association, as a member of the Bar Admission Examination Committee designated by the Puerto Rico Supreme Court in charge of drafting Civil Law questions for bar exam (1989), and was appointed in 1991 to the Local Bankruptcy Rules Committee by the US Bankruptcy Court for the District of P.R. for the District of P.R.

More information available at:
<http://www.emunoz.net/>